Audit Report on Consolidated Annual Accounts
issued by an Independent Auditor

VREF SEVILLE REAL ESTATE HOLDCO SOCIMI, S.A. AND SUBSIDIARIES
Consolidated Annual Accounts and Consolidated Management Report
for the year ended December 31, 2023

Building a better working world

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AUDIT REPORT ON CONSOLIDATED ANNUAL ACCOUNTS ISSUED BY AN INDEPENDENT AUDITOR

Translation of a report and annual accounts originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the shareholder of VREF SEVILLE REAL ESTATE HOLDCO SOCIMI, S.A.

Opinion

We have audited the consolidated annual accounts of VREF SEVILLE REAL ESTATE HOLDCO SOCIMI, S.A. (the parent) and its subsidiaries (the Group), which comprise the consolidated statement of financial position at December 31, 2023, the consolidated income statement, the consolidated statement of other recognised income and expense, the consolidated statement of changes in equity, the consolidated statement of cash flows, and the notes thereto, for the year then ended.

In our opinion, the accompanying consolidated annual accounts give a true and fair view, in all material respects, of consolidated equity and the consolidated financial position of the Group at December 31, 2023, and of its financial performance and its consolidated cash flows, for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS-EU), and other provisions in the regulatory framework applicable in Spain.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated annual accounts* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the consolidated annual accounts in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

More relevant audit issues

Most relevant audit issues are those matters that, in our professional judgment, were the most significant assessed risks of material misstatements in our audit of the consolidated annual accounts of the current period. These risks were addressed in the context of our audit of the consolidated annual accounts as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these risks.

Valuation of the property investment

Descripción	As mentioned in Note 6 of the accompanying Notes, at December 31, 2023, under the "Property Investments heading", the Group has recognised a property asset that is presented at its fair value at closing for an amount of 137,450 thousand euros. The Group has used an appraisal of this asset performed by an external independent expert in order to determine said fair value. The valuation of the property investment represents a relevant audit issue since it requires the use of estimates with a significant degree of uncertainty.
Our response	Our audit procedures have included, among others: ▶ Obtaining the appraisal report of the property asset owned by the Group, performed by the external independent expert contracted by the Group management, together with the evaluation of the expert's competence, capacity and independence. ▶ Involving our internal experts in the valuation to analyse and conclude on the reasonability of the valuation procedures and methodology used by the expert. ▶ Review of the disclosures made with regard to Notes 3.2 and 6 of the accompanying Notes to the Consolidated Annual Accounts.

Other information: consolidated management report

Other information refers exclusively to the 2023, consolidated management report, the preparation of which is the responsibility of the parent company's directors and is not an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not cover the consolidated management report. In conformity with prevailing audit regulations in Spain, our responsibility in terms of the consolidated management report is to assess and report on the consistency of the management report with the consolidated annual accounts based on the knowledge of the Group obtained during the audit, and to assess and report on whether the content and presentation of the consolidated management report are in conformity with applicable regulations. If, based on the work carried out, we conclude that there are material misstatements, we are required to disclose them.

Based on the work performed, as described in the above paragraph, the information contained in the consolidated management report is consistent with that provided in the 2023 consolidated annual accounts and its content and presentation are in conformity with applicable regulations.

Responsibilities of the parent company´s directors for the consolidated annual accounts

The directors of the parent company are responsible for the preparation of the accompanying consolidated annual accounts so that they give a true and fair view of the equity, financial position and results of the Group, in accordance with IFRS-EU, and other provisions in the regulatory framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual accounts, the directors of the parent company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors of the parent company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the significant risks communicated with the directors of the parent company, we determine those that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the most significant assessed risks.

We describe those risks in our auditor's report unless law or regulation precludes public disclosure about the matter.

ERNST & YOUNG, S.L.

Juan Manuel Martín de Vidales Bennásar

June 27, 2024

VREF Seville Real Estate Holdco SOCIMI, S.A. (Single-Member Company) and subsidiaries

Consolidated Financial Statements for the year ended 31 December 2023, prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs) and the Consolidated Directors' Report for 2023

VREF Seville Real Estate Holdco SOCIMI, S.A. (Single-Member Company) and subsidiaries

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2023 AND 2022 (Expressed in euros)

VREF Seville Real Estate Holdco Socimi S.A. (Single-Member Company) and subsidiaries
Tax identification number: B88482724

ASSETS	Notes	31/12/2023	31/12/2022
A) NON-CURRENT ASSETS		**138,656,800.00**	**151,306,800.00**
I. Investment property	**6**	**137,450,000.00**	**150,100,000.00**
1. Land and buildings		137,450,000.00	150,100,000.00
II. Non-current financial investments		**1,206,800.00**	**1,206,800.00**
1. Other non-current financial investments	7,8	1,206,800.00	1,206,800.00
B) CURRENT ASSETS		**9,322,130.18**	**7,054,098.39**
I. Trade and other receivables		**236,705.69**	**649,125.11**
1. Sundry accounts receivable	7,8	3,549.74	2,726.93
2. Other receivables from public authorities	12	233,155.95	646,398.18
II. Prepayments and accrued income		**103,640.00**	**50,820.00**
III. Cash and cash equivalents		**8,981,784.49**	**6,354,153.28**
1. Cash	9	8,981,784.49	6,354,153.28
TOTAL ASSETS (A + B)		**147,978,930.18**	**158,360,898.39**

The accompanying Notes 1 to 17 are an integral part of the consolidated financial statements.

VREF Seville Real Estate Holdco SOCIMI, S.A. (Single-Member Company) and subsidiaries

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2023 AND 2022 (Expressed in euros)

VREF Seville Real Estate Holdco Socimi S.A. (Single-Member Company) and subsidiaries
Tax identification number: B88482724

EQUITY AND LIABILITIES	Notes	31/12/2023	31/12/2022
A) EQUITY		**(14,725,609.05)**	**(5,083,406.85)**
A-1) Shareholder's equity		**(14,725,609.05)**	**(5,083,406.85)**
I. Share capital		**5,000,000.00**	**5,000,000.00**
1. Registered share capital	10	5,000,000.00	5,000,000.00
II. Prior years' losses		**(15,758,156.85)**	**14,939,259.06**
III. Other shareholder contributions	**10**	**7,674,750.00**	**5,674,750.00**
IV. Profit/(loss) for the year		**(11,642,202.20)**	**(30,697,415.91)**
B) NON-CURRENT LIABILITIES		**156,356,332.95**	**158,659,796.99**
I. Non-current payables		**101,617,243.67**	**101,067,707.71**
1. Bank borrowings	7,11	100,410,443.67	99,860,907.71
2. Other non-current financial liabilities	7,11	1,206,800.00	1,206,800.00
II. Non-current payables to Group companies and associates	**7,11,16**	**54,739,089.28**	**57,592,089.28**
C) CURRENT LIABILITIES		**6,348,206.28**	**4,784,508.25**
I. Current payables to Group companies and associates.	**7,11,16**	**3,597,037.22**	**1,819,689.11**
II. Trade and other payables		**891,448.90**	**1,258,441.19**
1. Sundry accounts payable	7,11	338,382.35	436,071.89
2. Other payables to public authorities	12	553,066.55	822,369.30
III. Prepayments and accrued income	**11**	**1,859,720.16**	**1,706,377.95**
TOTAL EQUITY AND LIABILITIES (A + B + C)		**147,978,930.18**	**158,360,898.39**

The accompanying Notes 1 to 17 are an integral part of the consolidated financial statements.

CONSOLIDATED INCOME STATEMENT AT 31 DECEMBER 2023 AND 2022 (Expressed in euros)

VREF Seville Real Estate Holdco Socimi S.A. (Single-Member Company) and subsidiaries
Tax identification number: B88482724

INCOME STATEMENT	Notes	31/12/2023	31/12/2022
1. Revenue	13.a	7,286,804.51	7,107,355.57
2. Other operating income	13.a	517,373.89	992,546.67
3. Other operating expenses	13.c	(1,181,907.64)	(1,612,710.53)
4. Change in fair value of investment property	6	(12,650,000.00)	(31,400,000.00)
A) PROFIT/(LOSS) FROM OPERATIONS		**(6,027,729.24)**	**(24,912,808.29)**
1. Finance costs	13.e	(5,614,472.96)	(5,784,607.62)
B) FINANCIAL PROFIT/(LOSS)		**(5,614,472.96)**	**(5,784,607.62)**
C) PROFIT/(LOSS) BEFORE TAX (A+B)		**(11,642,202.20)**	**(30,697,415.91)**
D) CONSOLIDATED PROFIT/(LOSS) FOR THE YEAR (C)		**(11,642,202.20)**	**(30,697,415.91)**
Profit/(Loss) attributable to the Parent		(11,642,202.20)	(30,697,415.91)

The accompanying Notes 1 to 17 are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AT 31 DECEMBER 2023 AND 2022

A) CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE YEARS ENDED 31 DECEMBER 2023 AND 2022 (Expressed in euros)

VREF Seville Real Estate Holdco Socimi S.A. (Single-Member Company) and subsidiaries
Tax identification number: B88482724

	31/12/2023	31/12/2022
A) Profit/(loss) for the year	**(11,642,202.20)**	**(30,697,415.91)**
B) Total income and expenses recognised directly in equity	-	-
C) Total transfers to the income statement	-	-
TOTAL RECOGNISED INCOME AND EXPENSE (A+B+C)	**(11,642,202.20)**	**(30,697,415.91)**

The accompanying Notes 1 to 17 are an integral part of the consolidated financial statements.

B) CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2023 AND 2022 (Expressed in euros)

VREF Seville Real Estate Holdco Socimi, S.A. (Single-Member Company) and Subsidiaries
Tax identification number: B88482724

	Share Capital (Note 10)	Prior years' profit/(loss)	Other shareholder contributions (Note 10)	Profit/(Loss) for the year (Note 3)	TOTAL
BALANCE AT 31 December 2021	**5,000,000.00**	**(1,252,808.58)**	**5,674,750.00**	**16,192,067.64**	**25,614,009.06**
Total recognised income and expense	-	-	-	(30,697,415.91)	**(30,697,415.91)**
Allocation of consolidated loss		16,192,067.64		(16,192,067.64)	-
BALANCE AT 31 DECEMBER 2022	**5,000,000.00**	**14,939,259.06**	**5,674,750.00**	**(30,697,415.91)**	**(5,083,406.85)**
Total recognised income and expense	-	-	-	(11,642,202.20)	**(11,642,202.20)**
Transactions with shareholders or owners					-
- Other transactions with shareholders or owners	-	-	2,000,000.00	-	**2,000,000.00**
Allocation of consolidated loss	-	(30,697,415.91)	-	30,697,415.91	-
BALANCE AT 31 DECEMBER 2023	**5,000,000.00**	**(15,758,156.85)**	**7,674,750.00**	**(11,642,202.20)**	**(14,725,609.05)**

The accompanying Notes 1 to 17 are an integral part of the consolidated financial statements.

VREF Seville Real Estate Holdco SOCIMI, S.A. (Single-Member Company) and subsidiaries

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023 AND 2022 (Expressed in euros)

VREF Seville Real Estate Holdco Socimi, S.A. (Single-Member Company) and Subsidiaries
Tax identification number: B88482724

	Notes	31/12/2023	31/12/2022
Profit/(Loss) for the year before tax		**(11,642,202.20)**	**(30,697,415.91)**
Adjustments for:			
- Impairment losses	6	12,650,000.00	31,400,000.00
- Finance costs	13	5,614,472.96	5,784,607.62
		18,264,472.96	**37,184,607.62**
Changes in working capital:			
- Trade and other receivables		412,419.42	627,538.87
- Trade and other payables		(366,992.29)	(71,444.49)
- Other current assets		100,522.21	(112,235.26)
		145,949.34	**443,859.12**
Other cash flows from operating activities:			
- Interest paid		(3,287,588.89)	(4,855,747.65)
		(3,287,588.89)	**(4,855,747.65)**
CASH FLOWS FROM OPERATING ACTIVITIES		**3,480,631.21**	**2,075,303.18**
Proceeds and payments relating to equity instruments			
- Proceeds from issue of equity instruments	10	2,000,000.00	-
		2,000,000.00	**-**
Proceeds and payments relating to financial liabilities:			
- Redemption and repayment of:			
- Payable to Group companies	16	(2,853,000.00)	(1,721,160.72)
		(2,853,000.00)	**(1,721,160.72)**
CASH FLOWS FROM FINANCING ACTIVITIES		**(853,000.00)**	**(1,721,160.72)**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		**2,627,631.21**	**354,142.46**
Cash and cash equivalents at beginning of year		6,354,153.28	6,000,010.82
Cash and cash equivalents at end of year		8,981,784.49	6,354,153.28

The accompanying Notes 1 to 17 are an integral part of the consolidated financial statements.

1. General information

VREF Seville Real Estate Holdco Socimi, S.A. (Single-Member Company) (the "**Company**" or the "**Parent**") is a Spanish company with tax identification number A88482724, incorporated indefinitely through a deed executed before a Madrid notary on 24 September 2019, under protocol number 5,193, registered at the Commercial Registry of Madrid in volume 39,663, page 120, section 8, sheet M-704780, entry 1. Its registered office is located at Calle Fortuny 6, 4ª Planta, 28010, Madrid.

On 16 October 2019, the Parent changed its name from Posturas Avanzadas Systems, S.L. to VREF Seville Real Estate Holdco Socimi, S.L.

On 11 June 2020, the Parent's sole shareholder took certain decisions to comply with the remaining requirements established in the Spanish Real Estate Investment Trusts Act [*Ley de SOCIMIs*] for the application of its tax regime. These decisions were notarised as a public document through a deed of conversion into a public company, executed on 15 June 2020 before Madrid notary Antonio de la Esperanza Rodríguez, under number 2,109 of his protocol.

On 19 June 2020, the Company was notified of its option to apply the tax regime regulated by the REIT Act 2009, effective for the tax period commencing on or after 1 January 2020. The Company was converted into a public company and its name was changed to VREF Seville Real Estate Holdco Socimi, S.A. (Single-Member Company).

The Company's shares are listed on Euronext Access Paris.

The Parent's corporate purpose, as set out in its Articles of Association, among other activities, is as follows:

- The acquisition and development of urban properties intended for lease.

- The holding of equity interests in other real estate investment trusts (REITs) or in other non-resident entities in Spain that have the same corporate purpose in their Articles of Association and that operate under a similar regime as regards the mandatory profit distribution policy established by law or the Articles of Association.

- The holding of equity interests in other resident or non-resident entities in Spain, the main corporate purpose of which is the acquisition of urban properties intended for lease, and that operate under the same regime established for REITs as regards the mandatory profit distribution policy established by law or by the Articles of Association, and meet the investment requirements stipulated for these companies, and the holding of shares and equity interests in collective real estate investment undertakings regulated by Spanish Law 35/2003, of 4 November, on collective investment undertakings (*Ley de instituciones de inversiones colectiva*), or any law that may replace it in the future.

The activities included in the corporate purpose may be performed, in full or in part, indirectly through ownership interest in companies with the same or similar corporate purpose.

The Group's activity in 2023 and 2022 consisted of leasing a logistics warehouse located in Dos Hermanas, Seville, under an operating lease.

The Articles of Association of the Parent and the subsidiary stipulate the beginning and end of its financial year, which as a general rule coincides with the calendar year ending on 31 December of each year.

The Group does not have any employees, as management is carried out directly by the directors.

REIT regime

On 19 June 2020 and 29 September, the Parent and the subsidiary, respectively, submitted a request to the Spanish Tax Agency to be included in the special tax regime for real estate investment trusts (REITs), regulated by the REITs Act 2009, as amended by Spanish REITs Act 2012 (*Ley 16/2012 por la que se regulan las Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario*).

Section 3 REITs Act 2009 establishes the following investment requirements:

1. REITs must have invested at least 80% of the value of their assets in urban properties intended for lease, in land for the development of properties that will be intended for this purpose, provided that development begins within three years following acquisition, and in shareholdings or equity investments in other entities referred to in section 2.1 of this Act.

   This percentage is calculated based on the consolidated balance sheet if the company is the parent of a group, as defined in section 42 of the Spanish Commercial Code (*Código de Comercio*), regardless of the place of residence and the obligation to prepare consolidated financial statements. This group must only be composed of REITs and the other entities referred to in section 2.1 of this Act.

   The value of the asset is calculated based on the average of the quarterly consolidated balance sheets of the year. To calculate this value, the Company may opt to substitute the carrying amount for the market value of the items included in these balance sheets, which will apply to all balance sheets of the year. Any money or collection rights arising from the transfer of these properties or investments made during the year or in prior years will not be included in the calculation provided that, in this last case, the reinvestment period referred to in section 6 of this Act has not expired.

2. Similarly, at least 80% of the income for the tax period corresponding to each year, excluding the income arising from the transfer of the ownership interests and the properties used to achieve its main corporate purpose, once the holding period referred to below has elapsed, should come from the lease of properties and from dividends or shares in profits arising from these investments.

   This percentage is calculated based on consolidated profit if the company is the parent of a group, as defined in section 42 of the Commercial Code, regardless of the place of residence and the obligation to prepare consolidated financial statements. This group must only be composed of REITs and the other entities referred to in section 2.1 of the Act governing REITs.

3. The properties that form part of the Company's assets must remain leased for at least three years. The time during which the properties have been made available for lease, up to a maximum of one year, will be included for the purposes of this calculation. This period will be calculated:

    a) In the case of properties that are included in the Company's assets before it avails itself of the regime, from the beginning of the first tax period in which the special tax regime established in this Act is applied, provided the property is leased or made available for lease at that date. Otherwise, the provisions of the following letter will apply.

    b) In the case of properties developed or acquired subsequently by the Company, from the date on which they were leased or made available for lease for the first time.

    c) In the case of Shares or equity interests in entities referred to in section 2.1 of this Act must be held as assets of the Company for at least three years following their acquisition or, where applicable, from the beginning of the first tax period in which the special tax regime established in this Act is applied.

Sections 4 and 5 REITs Act 2009 establish the following requirements:

4. REITs must be traded on a regulated market or on a multilateral trading facility. The Company meets this requirement as the shares are listed on Euronext Paris.

5. The minimum capital required is EUR 5 million. There may be only one class of shares. In addition, the Company must distribute the profit obtained during the year to its shareholders in the form of dividends, once the related commercial obligations are met. This distribution must be approved within six months after the end of each year and payment must be made within one month following the date of the resolution to distribute dividends.

As established in Transitional Provision One of the REITs Act 2009, amended by the REITs Act 2012, REITs may opt to apply the special tax regime in accordance with section 8 of this Act, even if they do not meet the requirements established in this Act, provided these requirements are met within two years of the date on which the Company decides to apply this regime.

Failure to meet this condition will require the Company to file income tax returns under the general tax regime from the tax period in which this condition is not met, unless the situation is rectified in the following tax period. The Company will also be obliged to pay, together with the amount relating to this tax period, the difference between the amount of tax payable under the general tax regime and the amount paid under the special tax regime in previous tax periods, including any applicable late payment interest, surcharges and fines.

The Parent is a subsidiary of Kookmin Bank, a company incorporated under the laws of the Republic of Korea with registered office in the Republic of Korea under number 110111-2355321 and Spanish tax identification number N7281196A, and its corporate purpose consists of banking and financial activities.

Kookmin Bank acts as trustee on behalf of Vestas Qualified Investors Private Real Estate Fund Investment

Trust No. 54A (70%) and as trustee on behalf of Vestas Qualified Investors Private Real Estate Fund Investment Trust No. 54B (30%).

1.1 Subsidiaries

The Company is the head of a Group and, therefore, the Parent of the following subsidiaries as at 31 December 2023 and 2022:

- VREF Logistics Spain SOCIMI, S.L.U. (formerly Goodman Orion Logistics (Spain), S.L.), a Spanish company with tax identification number B88168588, incorporated on 27 July 2018. Its registered office is located at Calle Fortuny 6, 4ª planta, 28010, Madrid.

The subsidiary's corporate purpose, in accordance with its Articles of Association, is acquiring and developing urban properties intended for lease This company owns a logistics warehouse in Dos Hermanas (Seville), which is leased to third parties for an initial period of 20 years, starting in July 2020.

On 19 August 2020, the Parent acquired all of this company's shares, which was the date of its inclusion in the scope of consolidation of the Group.

2. Basis of preparation of the consolidated financial statements

2.1 Regulatory framework

The regulatory financial reporting framework applicable to the Group consists of the following:

- The Commercial Code and all other commercial law.

- International Financial Reporting Standards (IFRSs) as adopted by the European Union in accordance with Regulation (EC) No 1606/2002 of the European Parliament.

- All other applicable Spanish accounting regulations.

- REITs Act 2009, amended by the REIT Act 2012.

2.2 Basis of presentation of the consolidated financial statements

The consolidated financial statements for 2023 were obtained from the accounting records of the Parent and the consolidated companies, and have been prepared in accordance with the regulatory financial reporting framework described in Note 2.1 and, accordingly, they present fairly the Group's consolidated equity and consolidated financial position at 31 December 2023 and the consolidated results of its operations, the changes in consolidated equity and the consolidated cash flows in the year then ended.

Given that the accounting policies and measurement bases applied in preparing the Group's consolidated financial statements for 2023 may differ from those applied by some of the Group companies, the necessary adjustments and reclassifications were made on consolidation to unify these policies and bases and to make them compliant with IFRSs as adopted by the European Union

To uniformly present the various items composing the consolidated financial statements, the accounting policies and measurement bases used by the Parent were applied to all the consolidated companies.

These consolidated financial statements were authorised for issue by the Board to be subsequently submitted for shareholder approval at the Annual General Meeting, and it is considered that they will be approved without any changes.

No segment information is provided since, as indicated in Note 1, the Group's only activity is the lease of a logistics warehouse located in Seville.

2.3 Adoption of Financial Reporting Standards and Interpretations effective as from 1 January 2022

a) Standards and interpretations approved by the European Union and applied for the first time this year

The accounting policies used in preparing these consolidated financial statements are the same as those used in the consolidated financial statements for the year ended 31 December 2023, since no new standards, interpretations or amendments applicable for the first time during this period had any impact on the Group's accounting policies.

b) Standards and interpretations issued by the IASB, but not yet applicable for this year

The Group intends to adopt the standards, interpretations and amendments to the standards issued by the IASB, which are not of mandatory application in the European Union, when they enter into force, if applicable. Although the Group is currently assessing their impact, based on the analyses conducted so far, the Group believes that their initial application will not have a significant impact on its consolidated annual accounts.

All accounting policies and measurement bases with a significant effect on the consolidated financial statements were applied.

2.4 Fair presentation

The consolidated financial statements were obtained from the accounting records of the consolidated companies and are presented in accordance with the applicable financial reporting framework to present fairly the Group's consolidated equity, consolidated financial position and consolidated results of operations for the year ended 31 December 2023, and the consolidated cash flows.

2.5 Comparative information

As required by commercial law, for comparison purposes the Company presents, in addition to the figures for 2023 for each item in the balance sheet, income statement and statement of changes in equity, the figures for the previous year.

2.6 Functional and presentation currency

The consolidated financial statements for the year ended 31 December 2023 are presented in euros, which is the Parent's functional and presentation currency.

2.7 Going concern principle

At 31 December 2023, the Group had positive working capital amounting to EUR 2,974 thousand (positive working capital of EUR 2,270 thousand at 31 December 2022).

In 2023, the Group had a loss for the year of EUR 11,642 thousand due to the loss of EUR 12,650 thousand arising from recognising the investment property at fair value. The consolidated balance sheet shows negative equity in the amount of EUR 14,726 thousand, arising from the losses in 2023 and 2022. Although the Parent has negative accounting equity for the same amount, in accordance with Royal Decree 16/2020, extended by RD 27/2021, the losses incurred in 2020 and 2021 are not to be taken into account at 31 December 2023 for the purpose of calculating commercial equity and determining whether the Company is subject to compulsory liquidation under Article 363 of the Capital Enterprises Act (equity below 50% of share capital). Nevertheless, the Parent's commercial equity, thus calculated, is a negative EUR 9,073 thousand, and consequently below 50% of share capital. Therefore, on 27 March 2024, the sole shareholder approved a shareholder contribution of EUR 11,600 thousand with a charge to the loan (Tranche B) detailed in Notes 10 and 17 in order to restore its equity position.

In addition, the shareholders have stated that they will continue to provide the necessary financial support to restore the Parent's equity equilibrium, if necessary by increasing the Company's equity through the contribution of part of the loan (Tranche B) that the sole shareholder has signed with the Company (Notes 10 and 17 in the necessary amounts.

Consequently, the Company's directors have prepared the consolidated financial statements according to the going concern principle of accounting, considering that the support of its shareholders and the future business prospects of the Company and its subsidiary VREF Logistics Spain Socimi, SLU, generate sufficient cash flows from their consolidated activity to meet its commitments and payment obligations and ensure the continuity of its operations for at least the next 12 months.

3. Accounting policies

The principal accounting policies and measurement bases adopted by the Group in preparing these consolidated financial statements were prepared in accordance with EU-IFRSs and are presented below.

3.1 Consolidation policies

(a) <u>Subsidiaries</u>

Subsidiaries are all entities over which the Group has control. The Group controls an entity when it is exposed or has the right to obtain variable returns from its involvement in the investee and has the ability to use its power over this entity to affect these returns. Subsidiaries are consolidated from the date on which control passes to the Group, and are excluded from consolidation on the date on which control ceases to exist.

The Group accounts for business combinations using the purchase method. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred from the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. The identifiable assets acquired and the contingent liabilities assumed in a business combination are initially recognised at fair value at the date of acquisition. For each business combination, the Group may elect to recognise any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's net identifiable assets.

The costs related to the acquisition are recognised as expenses in the year in which they are incurred.

If the business combination is achieved in stages, the carrying amount on the acquisition date of the acquirer's previously held equity interest in the acquiree is remeasured at fair value at the acquisition date. Any resulting profit or loss is recognised in the income statement for the year.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration that is considered to be an asset or a liability are recognised in accordance with IAS 39 in profit or loss or as a change in other comprehensive income. A contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for in equity.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Where necessary, amounts presented by subsidiaries have been adjusted to bring them into line with the Group's accounting policies.

Note 1.1 provides details and information relating to the subsidiaries.

3.2. Investment property

Investment property comprises land, buildings and other structures and facilities for use as investment property, held in full or in part to earn long-term rental income, for capital appreciation or both, rather than for use in production, or for the Group's administrative purposes or for sale in the ordinary course of business.

The Parent's directors do not plan to dispose of these assets in the short term and have therefore decided to recognise them as investment property in the consolidated statement of financial position.

Investment property is initially recognised at cost, including any related transaction costs and financing costs, if applicable. Following its initial recognition, investment property is accounted for at fair value.

Investment property is stated at fair value at the end of the reference period and is not depreciated in accordance with IAS 40 and the fair value model.

Any gains or losses that arise from changes in the fair value of investment property are included in the consolidated income statement for the period in which they take place.

While the construction work is in progress, the cost of the work and the related finance costs are capitalised. When the asset is ready for use, it is recognised at fair value. Staff costs directly attributable to the refurbishment of investment property are capitalised provided they can be considered direct costs.

Subsequent expenses are recognised as an increase in value of the asset only when it is probable that the future profit related to these expenses will flow to the Group and the cost of the item can be measured reliably. Repair and maintenance costs are recognised in the income statement in the year in which they are incurred. When part of a property is replaced, the carrying amount of the replaced item is derecognised.

In accordance with IAS 40, the Group periodically determines the fair value of its investment property to ensure that the fair value reflects the actual market conditions of the properties at that date. To determine the fair value, the Group contracts independent appraisers to carry out valuations.

3.3. Leases

From the point of view of the lessor, leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases. At 31 December 2023 and 2022, the Group did not have any finance leases.

Operating leases

a) When the Group is the lessor:

Income from operating leases is recognised in the consolidated income statement for the year on an straight-line basis.

Any collection that might be made when arranging an operating lease will be treated as a prepayment that will be allocated to profit or loss over the lease term in accordance with the time pattern in which the benefits of the leased asset are provided or received on a straight-line basis.

3.4. Financial assets

At 31 December 2023, the Group mainly had the following financial assets: guarantees and accounts receivable. All financial assets are measured at amortised cost.

a) Financial assets at amortised cost

Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not listed on an active market. They are considered to be current assets, except for those maturing within more than 12 months from the date of the consolidated statement of financial position, which are classified as non-current assets. Loans and receivables are included under "Loans to companies" and "Trade and other receivables" in the consolidated statement of financial position.

These financial assets are initially measured at their fair value, including any directly attributable transaction costs, and subsequently at amortised cost, whereby the interest income is recognised based on the effective interest rate, which is considered to be the discount rate that matches the carrying amount of the instrument to all its estimated cash flows until maturity.

However, trade receivables maturing within twelve months are measured, both on initial recognition and subsequently, at their nominal value when the effect of not discounting the cash flows is not material.

Financial assets at amortised cost originated in exchange for cash or trade receivables are included under "Trade and other receivables" in the consolidated statement of financial position, and guarantees and deposits are included under "Non-current financial assets".

The Group constantly monitors the credit quality of customers based on an internal credit rating. Where possible, customer credit ratings and/or reports are obtained. The Group's policy is to deal only with creditworthy counterparties. Credit terms range from 90 to 120 days. Credit terms for customers are subject to an internal approval process. Ongoing credit risk is managed by reviewing on a regular basis the analyses of the age of receivables, along with customer credit limits.

The amount of the impairment loss is the difference between the carrying amount of the asset and the present value of estimated future cash flows discounted at the effective interest rate at the time of initial recognition. Impairment losses and any subsequent reversal are recognised in the consolidated income statement.

Derecognition of financial assets

The Company derecognises a financial asset when:

- The contractual rights to the cash flows of the financial asset expire. A financial asset is derecognised when it has matured and the Company has received the corresponding amount.

- The contractual rights to the cash flows of the financial asset have been substantially transferred. In this case, the financial asset is derecognised when all the risks and rewards of ownership have been transferred. In particular, in repurchase agreements, factoring and securitisation transactions, the financial asset is derecognised once the Company's exposure, before and after the transfer, is compared with the variability in the amounts and timing of the net cash flows of the transferred asset and it is concluded that the risks and rewards have been transferred.

3.5. Impairment of financial assets

The carrying amount of a financial asset is adjusted with a charge to the consolidated income statement when there is objective evidence that an impairment loss has occurred.

To assess the loss allowance for lease receivables, the Group applies the simplified approach set out in IFRS 9.

To determine the impairment loss on financial assets, the Group assesses the possible losses on individual assets and on groups of assets with similar risk characteristics.

The recognition of credit losses is not dependent on the Group first identifying a credit loss event. Instead, the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions and reasonable and supportable forecasts that affect the expected collectability of future cash flows of the instrument.

Any impairment losses recognised, and their reversal when the amount of this impairment loss decreases as a result of a subsequent event, are charged or credited, respectively, to the income statement. The limit of any reversal of impairment losses is the carrying amount of the asset that would be recognised at the date of reversal had no impairment loss been recognised.

However, the Company may use market value of the instrument instead of the present value of the future cash flows, provided it is sufficiently reliable to be considered representative of the amount that may be recovered by the Company.

In the case of assets at fair value through other comprehensive income, the accumulated losses recognised in equity as a result of a decline in fair value, provided there is objective evidence that the asset's value is impaired, are recognised in the income statement.

3.6. Financial liabilities

At 31 December 2023 the Group had mainly the following financial liabilities: non-current bank borrowings, long-term guarantees, non-current borrowings with Group companies, interest payable and accounts payable. All financial assets are measured at amortised cost.

a) Liabilities at amortised cost

This heading includes trade payables and non-trade payables. These borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the date of the consolidated statement of financial position.

These borrowings are initially recognised at fair value, adjusted by any directly attributable transaction costs, and subsequently recognised at their amortised cost using the effective interest method. This effective interest rate is the discount rate that matches the carrying amount of the instrument to its expected future cash flows until the liability matures.

However, trade payables maturing within twelve months where there is no contractual interest rate are measured, both initially and subsequently, at their nominal value when the effect of not discounting the cash flows is not material.

The Group derecognises a financial liability when the obligation has expired.

When debt instruments are exchanged, provided they have substantially different terms, the original financial liability is derecognised and the new financial liability that arises is recognised. Similarly, a substantial modification of the terms of an existing financial liability is recognised. The difference between the carrying amount of the financial liability — or of the portion of the liability that has been derecognised — and the consideration paid — including directly attributable transaction costs, which includes any non-cash assets transferred or liabilities assumed — is recognised in the consolidated income statement for the year in which derecognition takes place.

When debt instruments that do not have substantially different terms are exchanged, the original financial liability is not derecognised and the fees paid are recognised as an adjustment to its carrying amount. The new amortised cost of the financial liability is determined by using the effective interest rate, which is equal to the carrying amount of the financial liability on the date of modification with the cash flows to be paid in accordance with the new terms.

If existing debts are renegotiated, no substantial changes to financial liabilities are considered to exist when the lender of the new loan is the same lender that arranged the initial loan and the present value of the cash flows, including net fees and commissions, does not differ by more than 10% of the present value of the cash flows payable from the original liability calculated using this same method.

3.7. Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank accounts and deposits with credit institutions and highly liquid investments, including short-term highly liquid deposits, which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

3.8. Share capital

The share capital is composed of ordinary registered shares.

The cost of issuing new shares is recognised directly in equity as a reduction in reserves.

3.9. Provisions

When preparing the consolidated financial statements, the Parent's directors made a distinction between:

- Provisions: credit balances covering present obligations arising from past events, the settlement of which is likely to give rise to an outflow of resources, but which are uncertain as to their amount and/or time of cancellation.

- Contingent liabilities: possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the Group's control.

The consolidated financial statements include all the provisions as regards which it is likely that the obligation will have to be settled. Contingent liabilities are not recognised in the consolidated financial statements but rather are disclosed in the notes to the consolidated financial statements, unless the possibility of an outflow in settlement is considered to be remote.

Provisions are measured at the present value of the best possible estimate of the amount required to settle or transfer the obligation, taking into account the information available on the event and its consequences, and where discounting is used, adjustments made to provisions are recognised as a finance cost on an accrual basis.

The compensation receivable from a third party on settlement of the obligation is recognised as an asset, provided there is no doubt that the reimbursement will take place, unless there is a legal relationship whereby a portion of the risk has been externalised, as a result of which the Group is not liable, in which case, the compensation will be taken into account when estimating, if appropriate, the amount of the related provision.

3.10. Foreign currency transactions and balances

Transactions in foreign currencies are translated to the Group's functional currency using the exchange rates prevailing at the transaction date and are measured at the reporting date at the exchange rates prevailing at that date.

The exchange differences arising from the measurement at year-end of foreign currency receivables and payables are taken directly to profit or loss.

Non-monetary items are not translated into the functional currency at year-end, but rather are measured at historical cost (translated at the exchange rate prevailing at the transaction date), except for non-monetary items measured at fair value, which are translated using the exchange rate prevailing on the date when the fair value was determined.

3.11. Revenue recognition

Revenue and expenses are recognised on an accrual basis, i.e., when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Rental income is measured at the fair value of the consideration received, net of discounts and taxes.

Rental income

Rental income is recognised on a straight-line basis over the best estimate of the term of the lease. If a lease is cancelled earlier than expected, any outstanding rent waiver or rebate is recognised in the last period before the end of the agreement.

Revenue from services provided

Revenue from services provided is recognised on an accrual basis, i.e. when the actual flow of the related services occurs, regardless of when the resulting monetary or financial flow arises. Revenue is measured at the fair value of the consideration received, net of discounts and taxes.

Revenue from sales is recognised when the significant risks and rewards of use of the services sold have been transferred to the buyer, and the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

3.12. Income tax

General regime

The income tax expense or income comprises current and deferred tax. Taxes are recognised in the income statement unless the tax relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current tax expense is calculated based on the laws enacted or substantively enacted at the reporting date in the countries where taxable profit is generated. The directors regularly assess the positions taken in tax returns as regards situations in which applicable tax law is subject to interpretation, and, if necessary, establish provisions based on the amounts expected to be paid to the tax authorities.

Deferred taxes are recognised for any temporary differences that arise between the tax bases of the assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred taxes are not recognised if they arise from the initial recognition of an asset or liability in a transaction other than a business combination, which at the time of the transaction affects neither accounting profit (loss) nor taxable profit (tax loss). Deferred tax is determined by applying the tax rates (and laws) that have been enacted or substantially enacted by the reporting date and that are expected to be applied when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are only recognised to the extent that it is considered probable that future taxable profit will be available against which the temporary differences can be offset.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, associates and joint arrangements, except for those deferred tax liabilities where the Group is able control the timing of the reversal of the temporary differences and it is probable that they will not be reversed in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable that the temporary difference will reverse in the future and sufficient taxable profit is expected to be available against which the temporary difference can be utilised.

Deferred tax assets and deferred tax liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and deferred taxes liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities that intend to settle future assets and current tax liabilities on a net basis.

Recognised deferred tax assets are reassessed at the end of each reporting period and the appropriate adjustments are made to the extent that there are doubts as to their future recoverability. Also, unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that they will be recovered through future taxable profits.

REIT regime

On 19 June 2020 and 29 September 2020, and with retroactive effect from 1 January 2020, the Parent and the subsidiary, respectively, notified the Spanish tax authorities of their decision to apply for the special REIT tax regime regulated by REIT Act 2009, whereby the entities that meet the requirements defined and opt to apply the special tax regime envisaged in this Act will be subject to a corporation tax rate of 0%. If any tax losses are generated, section 26 of the Spanish Corporation Tax Act (*Ley del Impuesto sobre Sociedades*) will not apply.

Likewise, the tax credits and tax relief established in Chapters II, III and IV of Title VI of the Corporation Tax Act will not be applicable. As regards all other matters not envisaged in the public company, that established in the Corporation Tax Act will apply.

The companies will be subject to a special tax rate of 19% on the full amount of the dividends or share in profits distributed to shareholders whose ownership interest in the entity's share capital is equal to or greater than 5%, when these dividends are exempt from taxation or taxed at a rate less than 10% at the tax domicile of these shareholders. This tax rate will take into consideration the income tax expense.

The above REIT regime will be applied as of 1 January 2020, without prejudice to the fact the Company may not comply with all requirements stipulated by law for such regime to be applied, since, pursuant to Transitional Provision One of the REITs Act 2009, the Company has a period of two years from the date on which it opted to apply the regime to comply with all legal requirements.

3.13. Related party transactions

In general, transactions between Group companies and related parties are initially recognised at fair value. Where the agreed-upon price differs from fair value, the difference is recognised taking into account the economic substance of the transaction. These transactions are subsequently measured in accordance with the related standards.

3.14. Information on the environment

Environmental assets are considered to be those assets used on a regular basis in the Group's core business activities whose main purpose is to minimise environmental impact and protect and improve the environment, including by reducing or eliminating future pollution.

Because of their nature, the Group's business activities do not have a significant environmental impact.

4. Use of estimates

The preparation of the consolidated financial statements requires the Parent's directors to make judgements, estimates and assumptions that affect the application of the accounting policies and the balances of assets, liabilities, income and expenses. The actual results may differ from these estimates.

The directors review these estimates on an ongoing basis. However, in view of the uncertain nature of these estimates, there is a significant risk that material adjustments might have to be made in the future to the value of these assets and liabilities, and there may be changes in the assumptions, events and circumstances on which they are based. Although these estimates were made based on the best information available at year end, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively.

In preparing these consolidated financial statements, the judgements made by the Parent's directors in applying the Group's accounting policies and the main areas of uncertainty regarding the estimates are as follows:

4.1 Fair value

The measurement of non-current assets, other than financial assets, requires estimates to be made to determine their fair value, for the purpose of assessing the fair value of the investment property. To determine this fair value, the Group hired an independent expert to perform a valuation of the investment property based on an estimate of the expected future cash flows from these assets and using an appropriate discount rate to calculate their present value (Note 6).

5. Financial risk management and financial instruments

5.1. Financial risk factors

The Group's activities are exposed to various financial risks: The Group's global risk management programme focuses on the uncertainty of the financial markets and aims to minimise the potential effects to which the Group's financial returns are exposed.

5.1.1 Market risk

Market risk arises from the possible loss caused by changes in the fair value or in the future cash flows of a financial instrument due to changes in market prices. Market risk includes interest rate risk, foreign currency risk and price risk.

- **Foreign currency risk**

  The Group is not exposed to the risk of potential exchange rate fluctuations since all its transactions are performed in euros, which is its functional and presentational currency.

- **Interest rate risk**

  The Group's interest rate risk arises from its bank borrowings. Loans issued at floating rates expose the Group to cash flow interest rate risk. The Group is not exposed to this type of risk since all its borrowings accrue interest at fixed rates.

- **Price risk**

  In relation to price risk, the Group has established a series of rental pricing policies based on the type of asset to be leased in order to monitor an appropriate level of income. Any modification in relation to this pricing policy must be previously authorised by Group management. The only asset owned by the Group is leased based on fixed annual rent reviewed in accordance with the CPI.

5.1.2 Liquidity risk

Liquidity risk is defined as the risk of the Group defaulting on its obligations associated with its financial liabilities settled or other financial assets.

The Group manages its liquidity risk prudently, as it has sufficient liquidity to meet any obligations due and payable, not only in normal market conditions but also in times of uncertainty, without incurring unacceptable losses or putting the Group's reputation at risk.

The Group monitors compliance with the requirements established in existing asset and liability contracts on a monthly basis, and its ability to meet the financial obligations arising from these contracts.

5.1.3 Credit risk

<u>Operating activities</u>

There is a risk that the lessee becomes insolvent. The Group attempts to reduce the risk of non-payment by having the lessees provide additional guarantees or deposits. A breakdown of the age of each of the balances receivable is regularly prepared, which serves as a basis for managing their collection.

Notes to the consolidated financial statements for the year ended 31 December 2023 (in euros)

The Group has a significant concentration of credit risk since the only property it owns is leased to a single tenant. In any case, the lessee has a highly solvent, and the rent is collected quarterly in advance.

In addition, the Group holds cash and deposits in Spanish banks and is therefore exposed to the stability or insolvency risk of these banks.

Investing activities

No financial investments are made (repos, treasury funds and short-, medium- and long-term fixed-income investment funds) unless certain specific circumstances make it advisable to do so.

Capital management

The objectives of the Group's capital management are to safeguard its capacity to continue operating as a going concern so that it can continue to provide returns to shareholders, benefit other stakeholders and maintain an optimal financial and equity structure to reduce the cost of capital. This policy makes it possible to make the creation of value for shareholders compatible with access to financial markets at a competitive cost to meet both debt refinancing needs and the investment plan financing requirements not covered by funds generated by the business.

The capital structure is controlled based on the leverage ratio. This ratio is calculated as the result of dividing net external unrelated debt by equity. Net debt is calculated as the sum of current and non-current bank borrowings, excluding those corresponding to assets held for sale, less current financial assets and cash and cash equivalents. The leverage ratio obtained at 31 December 2023 and 2022 is as follows:

Euros	2023	2022
Non-current bank borrowings	100,410,443.67	99,860,907.71
Cash	(8,981,784.49)	(6,354,153.28)
Net bank borrowings	**91,428,659.18**	**93,506,754.43**
Equity	(14,725,609.05)	(5,083,406.85)
Equity	(14,725,609.05)	(5,083,406.85)
Leverage ratio	**(6.21)**	**(18.39)**

The directors consider that the leverage ratio of the Parent, as the entity controlling the Group, is appropriate considering that there are loans with related parties that could be capitalised and reduce this ratio if necessary.

5.1.4 Fair value

Fair value under the IFRSs is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

As indicated in note 3.2, the Group measures its investment property at fair value. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The highest and best use of a non-financial asset takes into account the use of the asset that is physically possible, legally permissible and financially feasible. Note 6 details the procedure and variables applied in determining the fair value at year-end of the investment property owned by the Group.

The fair value of financial instruments that are traded on active markets (such as the securities held for trading and those available for sale) is based on market prices at the reporting date. The quoted market price that is used for the financial assets is the current bid price.

The fair value of financial instruments that are not listed on an active market is determined using valuation techniques. The Group exercises judgement to select a variety of methods and make assumptions that are based on the market conditions existing at each reporting date. Quoted market prices or listing prices from agents are used for non-current payables.

The carrying amount of trade receivables and trade payables is assumed to approximate their fair value. The fair value of financial liabilities, for the purposes of presenting financial information, is estimated by discounting future contractual cash flows at the current market interest rate from the cash flows the Group could have for similar financial instruments.

6. Investment property

Investment property includes a 192,276 m^2 logistics warehouse located in Seville, owned by the subsidiary VREF Logistics Spain SOCIMI, S.L. and acquired by purchasing this subsidiary's shares on 19 August 2020. Construction of this property began in 2019 and was completed on 29 July 2020.

The detail of and changes in this heading in 2023 and 2022 are as follows (expressed in euros):

Balance at 31 December 2021	**181,500,000.00**
Additions	0.00
Profit/(loss) net of adjustments at fair value	(31,400,000.00)
Balance at 31 December 2022	**150,100,000.00**
Disposals	0.00
Profit/(loss) net of adjustments at fair value	(12,650,000.00)
Balance at 31 December 2023	**137,450,000.00**

Valuation process

As at 31 December 2023 and 2022, investment property was recognised at fair value. The fair value of the Group's investment property is calculated based on the reports of independent valuers. The fair value measurement of investment property at 31 December 2023 resulted in the recording of a loss of EUR 12,650,000 in the consolidated income statement for the year (loss of EUR 31,400,000 at 31 December 2022). The decline in fair value at 31 December 2023 compared with the previous year was due to the increase in the value of the "net initial yield" variable applied in the valuation, from 5.20% at 31 December 2023 to 4.67% at 31 December 2022, as a result of higher interest rates.

The appraisal of this property asset was carried out by an independent expert (CBRE) under the market value assumption, whereby these appraisals were conducted in accordance with the RICS Appraisal and Valuation Standards (Red Book) published by the Royal Institution of Chartered Surveyors (RICS) of Great Britain.

Market value is defined as the estimated amount for which a property should be exchanged on the date of valuation between a willing seller and a willing buyer, after a reasonable marketing period, and wherein the parties have acted knowledgeably, prudently and without compulsion.

Methodology: Discounted cash flow method

The fair value of the property at 31 December 2023 was determined by applying a net initial yield of 5.20% (4.67% in 2022) on the fixed annual rental income (EUR 7,365,812.48), based on the lease at the measurement date, less the estimated costs to sell (approximately 3.07%).

This valuation falls within level 3 of the fair value hierarchy.

The rental income from the lease of investment property generated during the year amounts to EUR 7,286,804.51 (EUR 7,107,355.57 at 31 December 2022). Operating expenses relating to the lease incurred during the year amount to EUR 563,169.36 (EUR 992,546.67 at 31 December 2022), of which EUR 517,373.89 (EUR 992,546.67 at year-end 2022) was passed on to the lessee (Note 13).

Operating leases

All of the revenue recognised in the year arose from rental income from the lease.

At 31 December 2023 and 2022, the Group leased 100% of the logistics warehouse under a 20-year lease beginning on 29 July 2020, which can be extended for a period of 5 or 12 years at the discretion of the lessee. The lessee is Amazon Spain Fulfillment, S.L.U. The lessee is responsible for the maintenance costs of the warehouse except for any repairs to the structure, floor slabs, foundations, roof and façades, which are the responsibility of the lessor.

The total amount of future minimum lease payments under non-cancellable operating leases is as follows (in euros):

	2023	2022
Within one year	7,365,812.48	7,228,471.52
Between one and five years	29,463,249.92	28,913,886.08
More than five years	84,706,843.5	90,355,887.50
Total	**121,535,905.92**	**126,498,245.10**

Insurance

The Group takes out all insurance policies necessary to cover the possible risks that might affect its investment property. The Parent's directors consider that the coverage provided by the policies as at 31 December 2023 is sufficient. The cost of the insurance is rebilled to the lessee.

Mortgage loans

The assets included under "Investment property" as a whole are secured by mortgage loans to meet the obligations arising from the bank financing obtained by the Group (Note 11).

7. Analysis of financial instruments

7.1. Analysis by category

The carrying amount of each of the categories of financial instruments in the accounting standard for recognising and measuring financial instruments, except cash, is as follows (in euros):

Financial assets:

	Non-current financial assets	
	Loans/Other	
	2023	**2022**
Financial assets at amortised cost (Note 8)	1,206,800.00	1,206,800.00
Total	**1,206,800.00**	**1,206,800.00**

	Current financial assets	
	Loans/Other	
	2023	**2022**
Financial assets at amortised cost (Note 8)	3,549.74	2,726.93
Total	**3,549.74**	**2,726.93**
Total financial assets	**1,210,349.74**	**1,209,526.93**

Financial liabilities:

	Non-current financial liabilities	
	Loans/Other	
	2023	**2022**
Financial liabilities at amortised cost (Note 11)	156,356,332.95	158,659,796.99
Total	**156,356,332.95**	**158,659,796.99**

	Current financial liabilities	
	Loans/Other	
	2023	**2022**
Financial liabilities at amortised cost (Note 11)	3,935,419.57	2,255,761.00
Total	**3,935,419.57**	**2,255,761.00**
Total financial liabilities	**160,291,752.52**	**160,915,557.99**

7.2. Analysis by maturity

The maturities of the Group's financial assets and liabilities at 31 December 2023 are as follows (in euros):

	Financial assets						
	2024	**2025**	**2026**	**2027**	**2028**	**Subsequent years**	**Total**
Guarantees and deposits given (Note 8)	-	-	-	-	-	1,206,800.00	1,206,800.00
Other receivables	3,549.74	-	-	-	-	-	3,549.74
Total	**3,549.74**	**-**	**-**	**-**	**-**	**1,206,800.00**	**1,210,349.74**

	Financial liabilities						
	2024	**2025**	**2026**	**2027**	**2028**	**Subsequent years**	**Total**
Bank borrowings (Note 11)	-	100,410,443.67	-	-	-	-	100,410,443.67
Guarantees and deposits received (Note 11)	-	-	-	-	-	1,206,800.00	1,206,800.00
Payable to Group companies (Note 16)	3,597,037.22	54,739,089.28	-	-	-	-	58,336,126.50
Sundry accounts payable (Note 11)	338,382.35	-	-	-	-	-	338,382.35
Total	**3,935,419.57**	**155,149,532.95**	**-**	**-**	**-**	**1,206,800.00**	**160,291,752.52**

8. Breakdown of financial assets at amortised cost

The details of Assets at amortised cost at 31 December 2023 and 2022 are included in the following headings of the balance sheet (in euros):

	2023	**2022**

Notes to the consolidated financial statements for the year ended 31 December 2023 (in euros)

Non-current financial assets:		
Guarantees and deposits given	1,206,800.00	1,206,800.00
Total	**1,206,800.00**	**1,206,800.00**

	2023	2022
Current financial assets:		
Other receivables	3,549.74	2,726.93
Total	**3,549.74**	**2,726.93**
Total	**1,210,349.74**	**1,209,526.93**

All of the Group's financial assets relate to loans and receivables measured at amortised cost. Their carrying amount represents a reasonable approximation of their fair value.

The Group recognises under "Guarantees and deposits given" the amount relating to the deposit made to the Department of Development and Housing of the Autonomous Community Government of Andalusia for the security deposit received from the lessee under the lease. As these guarantees were provided to secure the performance of an obligation related to this agreement, they are not recognised at their present value but rather at their nominal value.

9. Cash and cash equivalents

Cash and cash equivalents at 31 December 2023 and 2022 comprise several current accounts with a balance of EUR 8,981,784.49 and EUR 6,354,153.28, respectively.

At 31 December 2023 and 2022, the balance of "Cash and cash equivalents" was unrestricted.

10. Equity

Share capital

The Parent was incorporated on 24 September 2019 with a share capital of EUR 3,000.00, consisting of 3,000 fully paid shares of EUR 1 par value each.

On 20 May 2020, the sole shareholder decided to increase share capital to EUR 5,000,000.00 through the issuance of 4,997,000.000 new shares of EUR 1 par value each. These shares were issued without a share premium and with a charge to the shareholder contribution made on 7 November 2019.

The Company's shares are listed on Euronext Access Paris, with Kookmin Bank as the sole shareholder. At 31 December 2023 and 2022, the share capital amounted to EUR 5,000,000.00.

Legal reserve

Under the Spanish Corporate Enterprises Act (*Ley de Sociedades de Capital*), the Company must transfer 10% of net profit for each year to the legal reserve until the balance of this reserve reaches 20% of the share capital.

The legal reserve of companies that have chosen to avail themselves of the special tax regime established in Law 11/2009, governing real estate investment trusts (REITs), must not exceed 20% of the share capital. The Articles of Association of these companies may not establish any other type of restricted reserves.

Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose. At 31 December 2023 and 2022, the Parent had not set up a legal reserve.

Other shareholder contributions

On 7 November 2019, the sole shareholder agreed to make a monetary contribution to the Company's equity in the amount of EUR 19,245,000.00.

This contribution was made through two transfers to the Company's account:

- EUR 13,471,500.00 was transferred in its own name, but on behalf of the Vestas Qualified Investors Private Real Estate Fund Investment Trust No. 54A.
- EUR 5,773,500.00 was transferred in its own name, but on behalf of the Vestas Qualified Investors Private Real Estate Fund Investment Trust No. 54B.

On 27 May 2020, the sole shareholder decided to increase share capital by issuing 4,997,000,000 new shares of EUR 1 par value each, with a charge to the existing shareholder contribution.

On 19 August 2020, Kookmin Bank granted a loan in the amount of EUR 60,473,250.00 of which EUR 8,573,250.00 was charged to the existing shareholder contribution.

On 31 May 2023, the sole shareholder agreed to make a contribution to the Parent's equity in the amount of EUR 2,000,000.00, contributing to the company a portion of the Tranche B loan that the sole shareholder held with respect to the Company.

The total recognised under this heading at 31 December 2023 amounted to EUR 7,674,750.00 (EUR 5,674,750.00 at 31 December 2022).

Restrictions on the distribution of dividends

Given its status as a REIT for tax purposes, and once the related commercial obligations have been met, the Parent is required to distribute the profit obtained during the year to its shareholders in the form of dividends as follows:

a) 100% of the profit from dividends or shares in profits distributed by the entities referred to in section 2.1 of Law 11/2009.

b) At least 50% of the profit generated from the transfer of property and shares or equity interests referred to in section 2.1 of Law 11/2009, once the periods referred to in section 3.3 of this Act have elapsed, which are used to achieve the Company's main corporate purpose. The rest of the profit must be reinvested in other properties or shares that are used to achieve its corporate purpose, within a period of three years following the date of transfer. Failing this, the profit must be distributed in full together with, if applicable, the profit generated during the year in which the reinvestment period ends. If the items to be reinvested are transferred before the end of the holding period established in section

3.3 of this Act, that profit must be distributed in full together with, if applicable, the profit generated during the year in which the items were transferred.

The obligation to distribute profit does not apply to the portion of the profit attributable to prior years in which the Company was not included under the special tax regime established in this Act.

c) At least 80% of the rest of the profit obtained.

The dividend must be paid within one month following the date of the resolution to distribute dividends.

When dividends are distributed with a charge to reserves out of profit for a year in which the special tax regime has been applied, they must be distributed in accordance with that set out in the section above.

Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to the ordinary shareholders of the Parent by the weighted number of ordinary shares outstanding during the period:

The detail of the calculation of basic earnings per share at 31 December 2023 is as follows:

	Euros
Profit attributable to the Parent	(11,642,202.20)
Weighted average number of ordinary shares outstanding in 2023	5,000,000.00
Basic earnings (loss) per share	(2.33)

Diluted earnings (loss) per share coincides with basic earnings (loss) per share.

11. Financial liabilities

The detail of the financial liabilities at amortised cost at 31 December 2023 and 2022 is as follows (in euros):

	2023	2022
Non-current financial liabilities		
Bank borrowings	100,410,443.67	99,860,907.71
Guarantees and deposits received	1,206,800.00	1,206,800.00
Payable to Group companies (Note 16)	54,739,089.28	57,592,089.28
Total	**156,356,332.95**	**158,659,796.99**

Notes to the consolidated financial statements for the year ended 31 December 2023 (in euros)

	2023	2022
Current financial liabilities		
Payable to Group companies (Note 16)	3,597,037.22	1,819,689.11
Sundry accounts payable	338,382.35	436,071.89
Total	**3,935,419.57**	**2,255,761.00**
Total	**160,291,752.52**	**160,915,557.99**

The carrying amount of these line items does not differ significantly from their fair value.

Deposits received from lessees that will be returned to the lessees on expiry of the lease are recognised under Guarantees and deposits received. These deposits are withheld from lessees if they default on their payment obligations or if there is any other breach of the lease. As these guarantees were provided to secure the performance of an obligation related to this agreement, they are not recognised at their present value but rather at their nominal value.

Bank borrowings:

On 19 August 2020, the Group signed a financing agreement with CaixaBank, S.A. to finance the acquisition and construction of its asset in Seville and the repayment of the debt that the Company held prior to the signing of this financing. This loan agreement amounts to EUR 100,300,000.00 and arises from the application of a fixed interest rate of 0.90%. This interest will accrue and be payable annually until the maturity of the loan on 19 August 2025. The loan will be repaid in a lump sum on the maturity date, 19 August 2025.

On 18 December 2020, it was agreed to novate this loan, increasing the available limit with a new, additional drawdown of EUR 1,008,610.00.

At 31 December 2023, the Group had accrued and paid explicit interest amounting to EUR 921,908.36 (EUR 921,908.35 at 31 December 2022).

At 31 December 2023 and 2022, the amount drawn down and outstanding amounted to EUR 101,308,610.00. In addition, the Company still has to charge bank financing costs of EUR 898,166.33 to profit and loss (EUR 1,447,702.29 at 31 December 2022, which is charged to the profit and loss account at the effective rate).

The Group is committed to maintaining a ratio of bank debt to market value of the mortgaged property of less than 65%. Although the Company did not comply with this ratio at year-end, on 22 February 2024 the Group obtained a waiver exempting it from the obligation to do so at 31 December 2023, subject to the following conditions:

- The Group must make a partial repayment of the loan in the amount of EUR 6,000,000.00 by 31 March 2024
- The Group must pay a fee for this waiver for a total amount of EUR 95,308.00 before 20 June 2024.

On 27 March 2024, the Company made a partial early repayment of the loan in the amount of EUR 6,000,000.

The bank debt at 31 December 2023 was not classified as a current liability since, according to the financing agreement, the Group to which the Company belongs intends to comply with both conditions of the waiver and had the capacity and the unconditional right to remedy the non-compliance up until 15 days after the deadline for reporting the ratios, 30 June 2024. In addition, the Company must meet a ratio of at least 130% for the annual amount of net rental income to the annual financial cost in accordance with the financing documents. The Company met this ratio at 31 December 2023.

The repayment of the debt is secured by pledging the shares of the subsidiary VREF Logistics Spain SOCIMI, S.L.U., pledging the surplus in the subsidiary's current bank accounts, pledging the balances receivable under the lease and securing the mortgage on the property owned by the Group (Note 6).

The changes in non-current financial liabilities at 31 December 2023 and 2022 are as follows (in euros):

	31/12/2022	**Payments**	**Transfer to Shareholder Contribution**	**Finance costs**	**31/12/2023**
Bank borrowings	99,860,907.71	-		549,535.96	100,410,443.67
Guarantees and deposits received	1,206,800.00	-		-	1,206,800.00
Payable to Group companies (Note 16)	57,592,089.28	(853,000.00)	(2,000,000)	-	54,739,089.28
	158,659,796.99	**(853,000.00)**	**(2,000,000)**	**549,535.96**	**156,356,332.95**

	31/12/2021	**Payments**	**Finance costs**	**31/12/2022**
Bank borrowings	99,311,371.76	-	549,535.95	99,860,907.71
Guarantees and deposits received	1,206,800.00	-	-	1,206,800.00
Payable to Group companies (Note 16)	59,313,250.00	(1,721,160.72)	-	57,592,089.28
	159,831,421.76	**(1,721,160.72)**	**549,535.95**	**158,659,796.99**

<u>Disclosures on the period of payment to suppliers</u>

The disclosures required by Additional Provision Three of Spanish Law 15/2010, of 5 July, are as follows (expressed in euros):

Notes to the consolidated financial statements for the year ended 31 December 2023 (in euros)

	Amount (euros)	Amount (euros)
	2023	2022
	Days	Days
Average period of payment to suppliers	80.04	46.35
Ratio of transactions settled	81.12	36.44
Ratio of transactions not yet settled	64.32	121.47

	Amount (euros)	Amount (euros)
Total payments made	702,003.67	763,705.18
Total payments outstanding	48,044.29	100,772.92

Monetary volume of invoices paid in a period shorter than the maximum period established in regulations on delinquent payments	**435,985.98**	**606,922.86**
Payments below this maximum as a percentage of total payments made	**62%**	**79%**

Number of invoices		
Invoices paid in a period shorter than the maximum period established in regulations on delinquent payments	**45.00**	**37.00**
Percentage of total invoices	**79%**	**64%**

Accruals of liabilities

The amount of accruals on the current liabilities side of the balance sheet corresponds mainly to the rental income for the first quarter of 2024 collected in advance.

12. Tax matters

12.1. Tax receivables and tax payables

The detail of the tax receivables and tax payables at 31 December 2023 and 2022 is as follows:

	2023	2022
Assets		
VAT refundable	175,846.42	494,030.16
Withholdings receivable	57,309.53	152,368.02
Total assets	**233,155.95**	**646,398.18**

Notes to the consolidated financial statements for the year ended 31 December 2023 (in euros)

	2023	2022
Liabilities		
Tax withholdings payable	109,407.92	109,074.11
VAT payable	443,658.63	713,295.19
Total liabilities	**553,066.55**	**822,369.30**

12.2. Income tax

The reconciliation of the consolidated profit/(loss) to the sum of the taxable profit/(tax loss) of the companies composing the Group for the year ended 31 December 2023 and 2022 is as follows:

	2023		
	Increases	**Decreases**	**Net**
Income and expenses for the year			(11,642,202.20)
Income tax	-	-	-
Profit/(loss) before tax			**(11,642,202.20)**
Permanent differences	9,268,503.37	-	9,268,503.37
Temporary differences:			
Excess non-deductible finance costs	3,143,028.64	-	3,143,028.64
Consolidated tax loss			**769,329.81**
Tax rate			0%
Gross tax payable			-
Tax withholdings and prepayments			57,309.53
Tax payable (refundable)			**57,309.53**

	2022		
	Increases	**Decreases**	**Net**
Income and expenses for the year			(30,697,415.91)
Income tax	-	-	-
Profit/(loss) before tax			**(30,697,415.91)**
Permanent differences	22,255,776.70	-	22,255,776.70
Temporary differences:			
Excess non-deductible finance costs	1,663,416.25	-	1,663,416.25
Consolidated tax loss			**(6,778,222.96)**
Tax rate			0%
Gross tax payable			-

In accordance with Royal Decree Law 27/2014, of 27 November, the deductibility of finance costs that exceed the threshold of EUR 1,000,000 will therefore be limited to 30% of the operating profit. The excess cost that is not deducted may be subject to deduction in future years.

As indicated in Note 1, the Parent qualified for the REIT tax regime effective as from 1 January 2020. In relation to the disclosure requirements arising from REIT status, Law 11/2009, as amended by Law 16/2021, indicates that there are no reserves from years before the application of the special REIT tax regime or reserves from periods where the REIT tax regime has been applied, given that the Company and the subsidiary have incurred losses since their incorporation. On 19 August 2020, the Company acquired 100% of the shares of Goodman Orion Logistics (Spain), S.L.U. (currently VREF Logistics Spain SOCIMI, S.L.) for EUR 53.4 million. This subsidiary has invested almost 95% of its assets in the purchase of a plot of land (on 6 May 2019) and the construction of a warehouse for logistics use, the construction of which was completed in July 2020, which has been leased to third parties since that date for a minimum period of 20 years.

Since the Group has qualified for the REIT tax regime, on which the tax rate is zero, no table is presented with the reconciliation of the profit before tax and the tax expense for the year.

12.3. Years open for review and tax audits

Under the current law, taxes cannot be considered to have been definitively settled until the tax returns filed have been reviewed by the tax authorities or until the four-year limitation period has elapsed. At 31 December 2023, the Group companies had all years since their incorporation open for review by the tax authorities for the main taxes applicable to them and for which the limitation period had not yet expired at the date of authorisation for issue of these consolidated annual accounts.

As a result of the varying interpretations of current tax law, inter alia, additional liabilities may arise as a result of a tax audit. In any case, the Parent's directors consider that these liabilities, should they arise, would not have a material effect on these consolidated annual accounts.

13. Revenue and expenses

a) Operating income

The breakdown, by activity category, of the Group's revenue from continuing operations is as follows (in euros):

	2023	2022
Rental income from the logistics warehouse	7,286,804.51	7,107,355.57
Income from expenses passed on to the lessee	517,373.89	992,546.67
Total	**7,804,178.40**	**8,099,902.24**

b) Gains or losses on changes in fair value of investment property

The breakdown of the gains or losses on changes in fair value of investment property is provided in Note 6.

c) Other operating expenses

The breakdown of this heading of the consolidated income statement is as follows (in euros):

	2023	2022
Independent professional services	600,138.61	731,264.55
Insurance	310,376.90	331,650.62
Upkeep and maintenance	-	5,815.00
Banking services	18,599.67	42,513.04
Other services	-	13,880.00
Taxes other than income tax	252,792.46	487,587.32
Total	**1,181,907.64**	**1,612,710.53**

d) Staff costs:

The consolidated Group did not have any employees at 31 December 2023 or 2022.

e) Finance costs:

The breakdown of finance costs recognised at 31 December 2023 and 2022 is as follows (in euros):

	2023	2022
Finance costs:		
Interest on loans from Group companies (Note 16)	4,143,028.64	4,313,163.32
Interest and expenses with banks (Note 11)	1,471,444.32	1,471,444.30
Total	**5,614,472.96**	**5,784,607.62**

14. Fees paid to auditors

The expenses for audit services and for other review work incurred by Ernst and Young, S.L. in 2023 for the various companies composing the Group amount to EUR 50,466 and EUR 5,511, respectively (EUR 48,760 and EUR 5,325 at 31 December 2022).

15. Information on the environment

In view of the Group's business activity, it does not have any environmental liability expenses, assets, provisions or contingencies that might be material as regards its equity, financial position or results.

Therefore, no specific disclosures relating to environmental issues are included in these notes to the consolidated financial statements.

16. Balances and transactions with related parties

The detail of balances held with Group companies and associates at 31 December 2023 and 2022 is as follows (in euros) (Note 11):

	2023	2022

Non-current accounts payable to related parties		
KookMin Bank	54,739,089.28	57,592,089.28
Total	**54,739,089.28**	**57,592,089.28**

	2023	2022
Current accounts payable to related parties		
KookMin Bank	3,597,037.22	1,819,689.11
Total	**3,597,037.22**	**1,819,689.11**
TOTAL ACCOUNTS PAYABLE TO RELATED PARTIES	**58,336,126.50**	**59,411,778.39**

On 19 August 2020, Kookmin Bank, as trustee of Vestas Qualified Investors Private Real Estate Fund Investment Trust No. 54A, and Vestas Qualified Investors Private Real Estate Fund Investment Trust No. 54B granted a loan in the amount of EUR 60,473,250.00, maturing in the fifth year from the date on which the agreement was signed, in a single payment. This loan accrues interest at a fixed annual rate of 7.45%, payable on a quarterly basis. The loan is divided into two tranches:

- Tranche A amounting to EUR 24,748,205.00.
- Tranche B amounting to EUR 35,725,045.00.

On 19 January 2023 the sole shareholder did a partial repayment of the loan (tranche B) for a total amount of EUR 853,000.00.
On 31 May 2023 the sole shareholder offset part of the loan (tranche B) for a total amount of EUR 2,000,000.00 as a contribution to the Company's equity. The principal outstanding at 31 December 2023 stood at EUR 54,739,089.28 (EUR 57,592,089.28 at 31 December 2022).

The accrued interest payable at 31 December 2023 amounted to EUR 3,597,037.22 (EUR 1,819,689.11 at 31 December 2022).

Interest accrued in 2023 totalled EUR 4,143,028.64 (EUR 4,313,163.32 in 2022).

The finance costs arising from these loans with Group companies recorded in 2023 and 2022 were as follows (in euros):

	2023	2022
Finance costs:		
KookMin Bank	4,143,028.64	4,313,163.32
TOTAL	**4,143,028.64**	**4,313,163.32**

Remuneration of directors and senior executives

In accordance with section 217 of Royal Legislative Decree 1/2010, approving the Corporate Enterprises Act, and article 21 of the Company's Articles of Association, directorships are not remunerated. Therefore, the Company's Board members receive no remuneration.

The Company does not have any employees.

Notes to the consolidated financial statements for the year ended 31 December 2023 (in euros)

In compliance with Spanish Organic Law 3/2007, below is a breakdown of the Company's Board members, by gender, at the end of 2023.

	No. of men
Chairman	1
Member	2
Total	**3**

At 31 December 2023, the Parent had no pension or life insurance obligations to former or current Board members.

At 31 December 2023, no advances or loans had been granted to the Board members, nor had any obligations been undertaken to provide any guarantees on their behalf.

In 2023 no insurance premiums were paid for third-party liability insurance for directors in relation to any damage caused in exercising their office.

In relation to section 229 Corporate Enterprises Act, the directors stated that they have no conflicts of interest with those of the Parent.

17. Events after the reporting date

On 27 March 2024, the Group partially repaid the loan with CaixaBank for a total amount of EUR 6,000,000.00.

Likewise, to restore the Company's equity equilibrium, the Parent's sole shareholder increased the Company's equity by EUR 11,600,000.00 through the contribution (under Shareholder contribution) of part of the loan (Tranche B) that the sole shareholder has signed with the Company.

AUTHORISATION FOR ISSUE OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board members of VREF Seville Real Estate Holdco Socimi, S.A. (Single-Member Company) have authorised for issue these consolidated financial statements, which consist of the attached documents preceding this page, dated 31 March 2024.

Federico Bros Tejedor
Chairman

Peter Riley
Member

AUTHORISATION FOR ISSUE OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board members of VREF Seville Real Estate Holdco Socimi, S.A. (Single-Member Company) have authorised for issue these consolidated financial statements, which consist of the attached documents preceding this page, dated 31 March 2024.

Federico Bros Tejedor
Chairman

Peter Riley
Member

Consolidated Directors' Report for 2023

Consolidated directors' report for the year ended 31 December 2023

1. Entity's position: Organisational and operational structure

VREF Seville Real Estate Holdco Socimi, S.A. (Single-Member Company) is a Spanish company with tax identification number B88482724, incorporated indefinitely through a deed executed before a Madrid notary on 24 September 2019, under protocol number 5,193, registered at the Commercial Registry of Madrid in volume 39,663, page 120, section 8, sheet M-704780, entry 1. Its registered office is located at Calle Fortuny 6, 4ª Planta, 28010, Madrid.

On 16 October 2019, the Parent changed its name from Posturas Avanzadas Systems, S.L. to VREF Seville Real Estate Holdco Socimi, S.L.

On 11 June 2020, the Parent's sole shareholder took certain decisions to comply with the remaining requirements established in the Spanish public company for the application of its tax regime, which were notarised as a public document by deed of conversion into a public company, executed on 15 June 2020 before Madrid notary Antonio de la Esperanza Rodríguez, under number 2,109 of his protocol.

On 19 June 2020, the Company was notified of its option to apply the tax regime regulated by the REIT Act 2009, effective for the tax period commencing on or after 1 January 2020. The Company was converted into a public company and its name was changed to VREF Seville Real Estate Holdco Socimi, S.A. (Single-Member Company)

The Company's shares are listed on Euronext Access Paris.

The Parent's corporate purpose, as set out in its Articles of Association, among other activities, is as follows:

The acquisition and development of urban properties intended for lease.

The holding of equity interests in other real estate investment trusts (REITs) or in other non-resident entities in Spain that have the same corporate purpose in their Articles of Association and that operate under a similar regime as regards the mandatory profit distribution policy established by law or the Articles of Association.

The holding of equity interests in other resident or non-resident entities in Spain, the main corporate purpose of which is the acquisition of urban properties intended for lease, and that operate under the same regime established for REITs as regards the mandatory profit distribution policy established by law or by the Articles of Association, and meet the investment requirements stipulated for these companies, and the holding of shares and equity interests in collective real estate investment undertakings regulated by Spanish Law 35/2003, of 4 October, on collective investment undertakings (*Ley de instituciones de inversiones colectiva*), or any law that may replace it in the future.

The Group operates in the real estate sector and its corporate purpose is the acquisition and development of urban properties intended for lease, and it may carry on other activities ancillary to those mentioned above, in accordance with the law applicable at any given time.

The Parent, through its subsidiary VREF Logistics Spain SOCIMI, S.L.U. (formerly Goodman Orion Logistics (Spain), S.L.), owns a 192,276 m^2 logistics warehouse located in the province of Seville.

The Board conducts its business in accordance with its Internal Code of Conduct and its Articles of Association.

2. Business performance and results for 2023

As at 31 December 2023, investment property was recognised at fair value. The fair value of the Group's investment property is calculated based on the reports of independent valuers. As a result of measuring the investment property at fair value at 31 December 2023, a loss of EUR 12,650,000 was recognised in the consolidated income statement for the year.

The profit/(loss) from operations arising from the lease of this warehouse, less the loss arising from the revaluation of the property at fair value, resulting in a loss of EUR 6,027,729.24. The Group posted a loss of EUR 11,642,202.20 as at 31 December 2023.

3. Information on the Group's outlook

The Group's objectives are as follows:

- Generate added value in investment property in Spain.
- Manage and monitor investments and take part in those specific activities that are necessary or advisable.

The Group expects to continue working towards these objectives in the coming years.

4. Risk factors

The risks arising from its activity and the risk management policies established by management are described in Note 5 to the accompanying consolidated financial statements.

5. Significant events after the reporting date

There are no significant subsequent events in addition to those described in Note 17 to the accompanying consolidated financial statements.

6. Environment

The Group carries out activities whose main purpose is to prevent, mitigate or repair damage that its activities may have on the environment. However, because of their nature, the Group's business activities do not have a significant environmental impact.

7. **Other matters**

No treasury shares were acquired or disposed of in 2023.

No investments in R&D were made in 2023.

The information regarding the average period of payment to suppliers in commercial transactions is detailed in Note 11 to the accompanying consolidated financial statements.

AUTHORISATION FOR ISSUE OF THE CONSOLIDATED DIRECTORS' REPORT

The Board members of VREF Seville Real Estate Holdco Socimi, S.A. (Single-Member Company) authorised for issue this consolidated directors' report on 31 March 2024.

Federico Bros Tejedor
Chairman

Peter Riley
Member

AUTHORISATION FOR ISSUE OF THE CONSOLIDATED DIRECTORS' REPORT

The Board members of VREF Seville Real Estate Holdco Socimi, S.A. (Single-Member Company) authorised for issue this consolidated directors' report on 31 March 2024.

Federico Bros Tejedor
Chairman

Peter Riley
Member